



GPU TECHNOLOGY
CONFERENCE

ANNUAL INVESTOR DAY

Colette Kress, EVP & CFO

Financial Highlights

Revenue growing faster than overall market

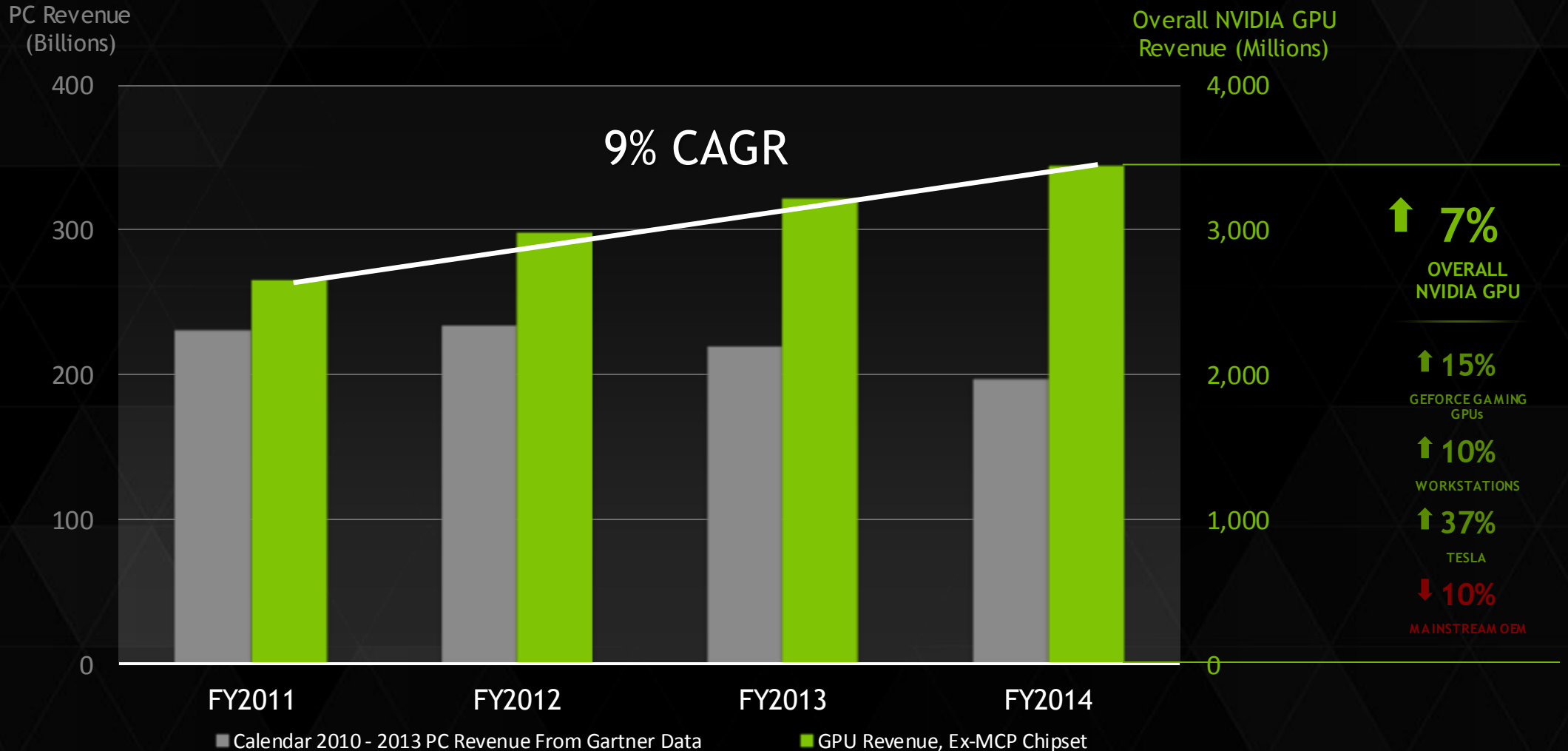
Strength in overall business provides foundation for higher growth opportunities

Gross margin expansion

Strong cash flow generation enables:

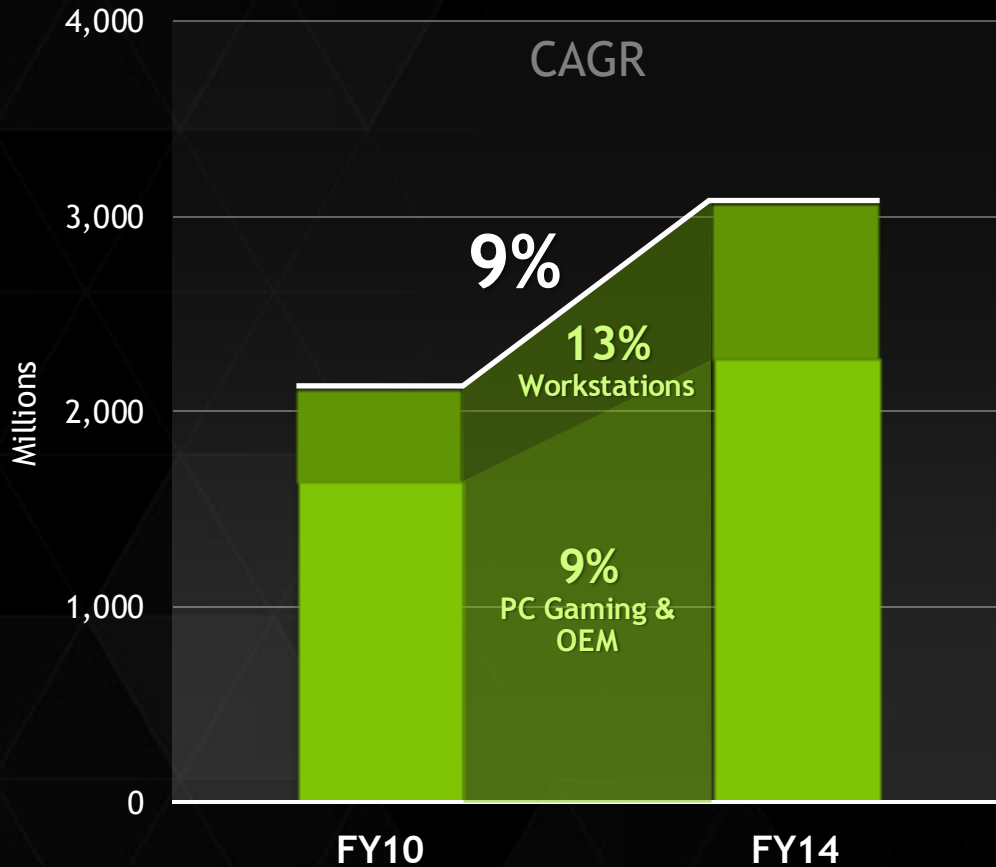
- Leverage investment
- Focus on regular capital return

GPU Growth in a Challenging Market

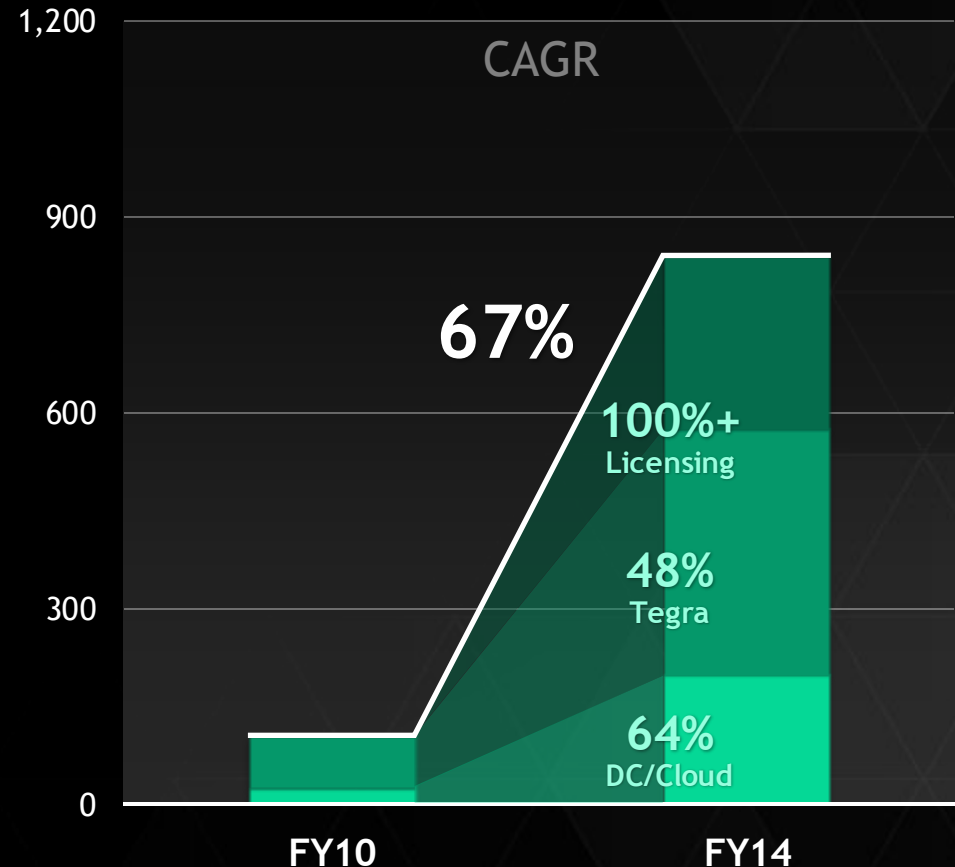


Executing on Growth Drivers

NVIDIA PC Gaming/OEM/Workstation



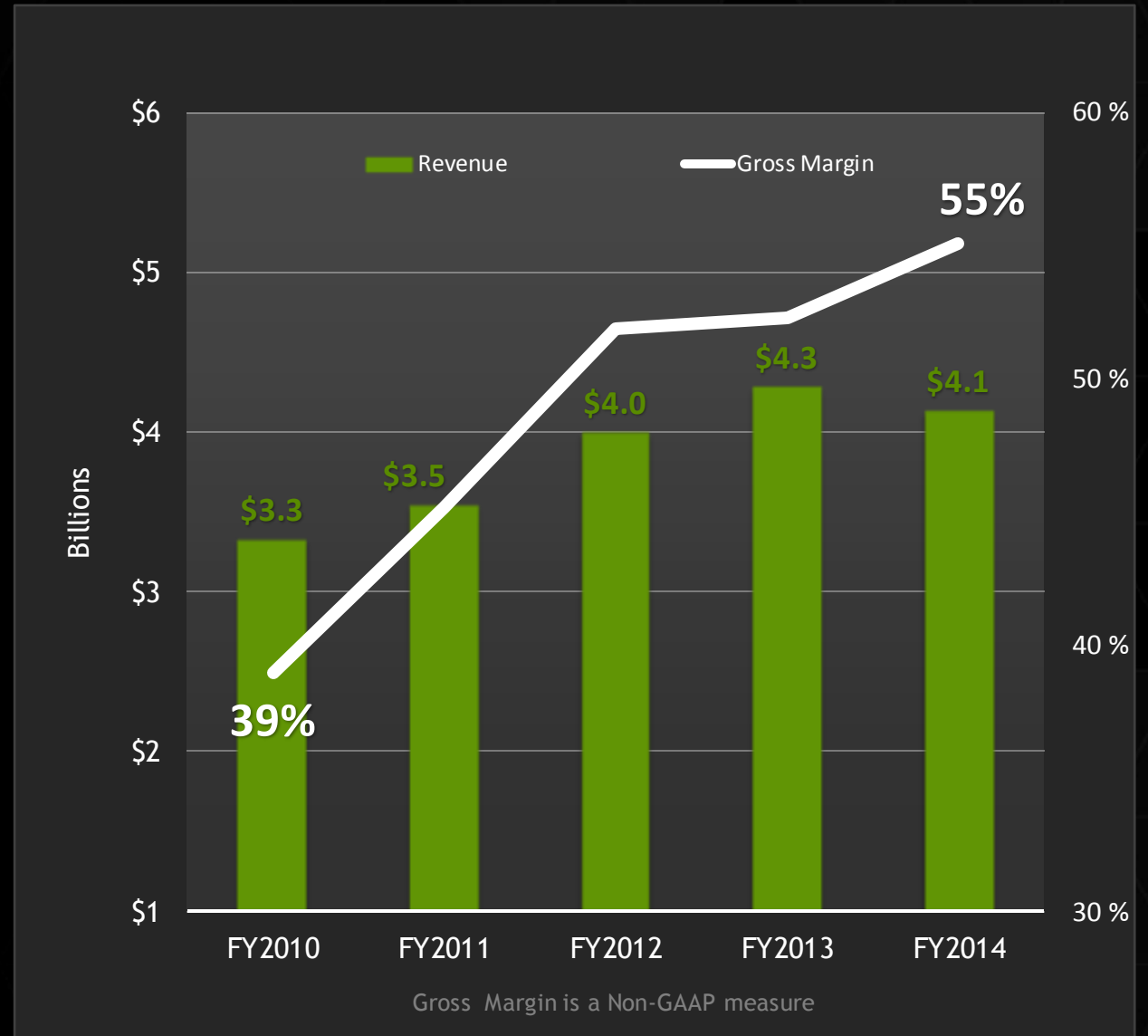
NVIDIA High Growth Businesses

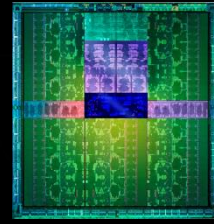


Gross Margin Expansion

Drivers

- ASPs for visual computing
- Expansion to new high-margin verticals: Tesla and GRID
- Ongoing focus on costs





Unified
Architecture



GeForce



Tesla



Tegra



Quadro



GRID



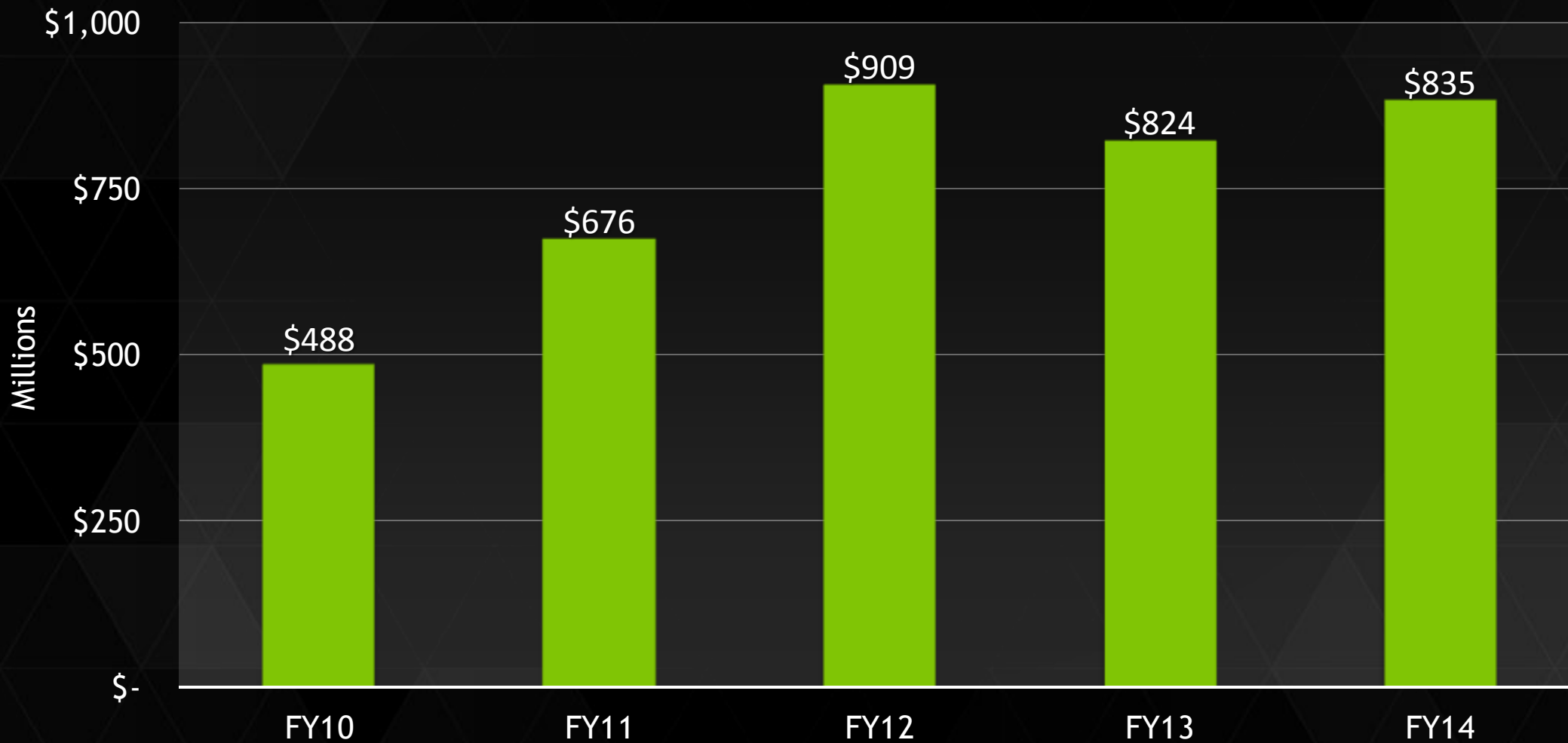
Auto

75%

25%

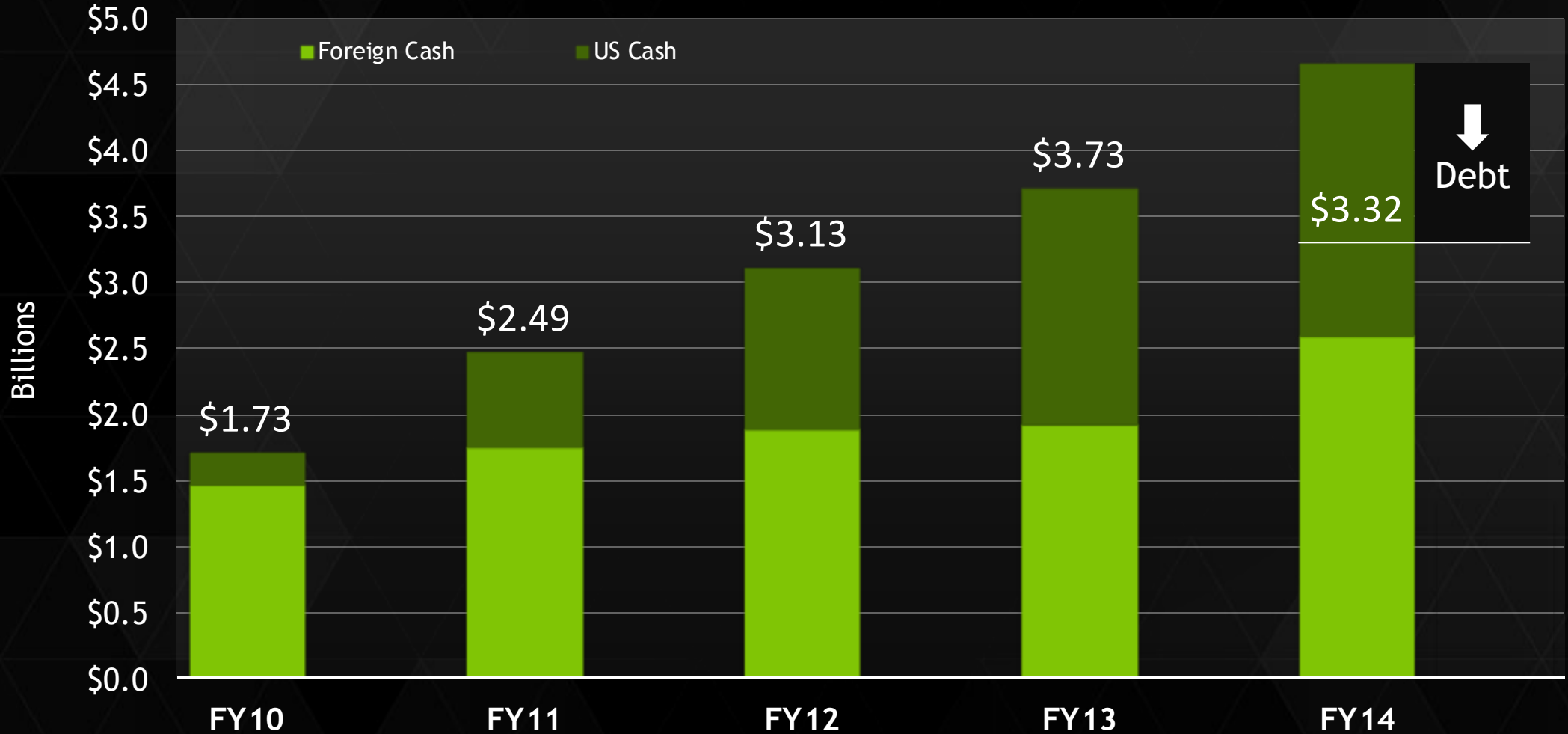
Leveraged
Investments \$1.6B

Robust Cash Flow Generation



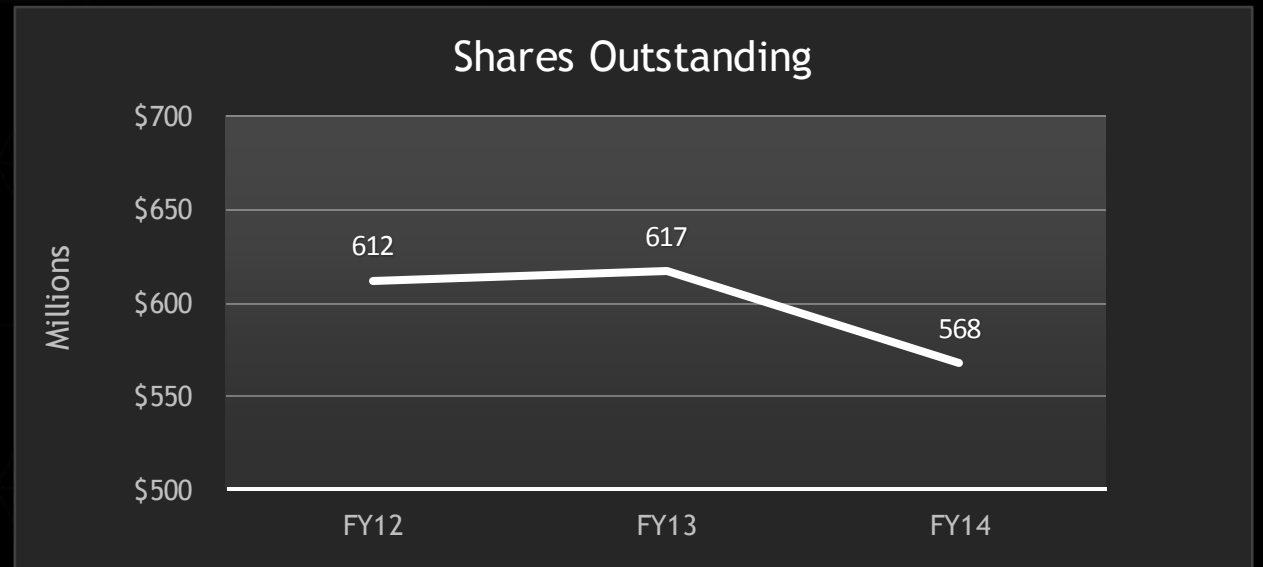
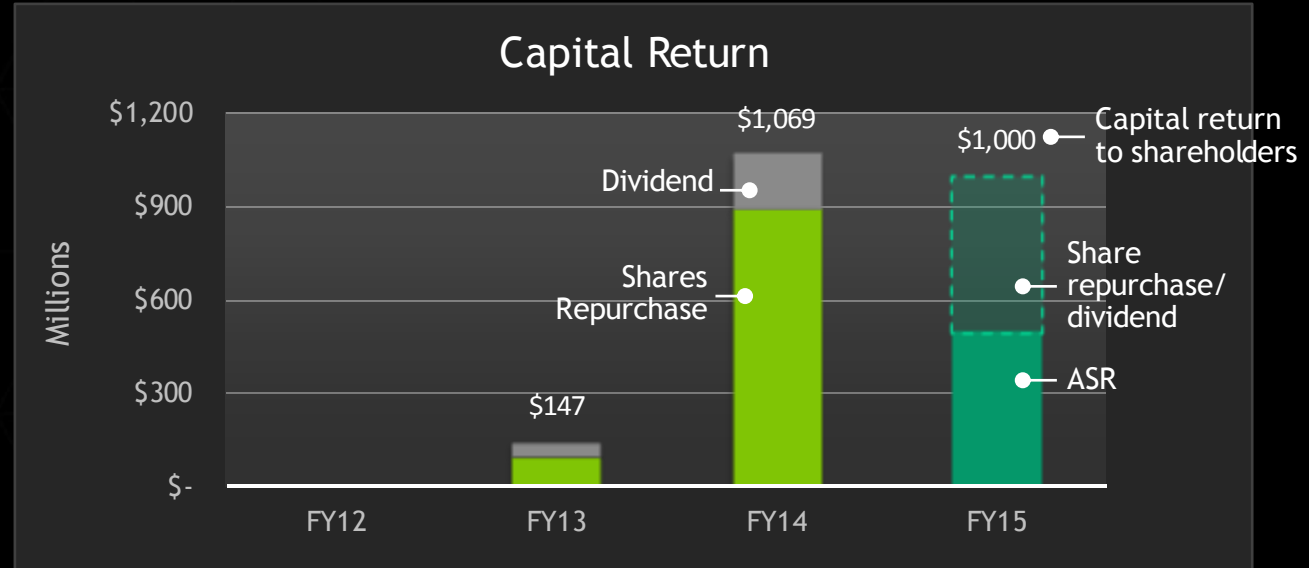
Cash Balance

Significant Liquidity and Low Leverage



Capital Return Strategy to Drive Shareholder Value

- Regular and consistent return of capital over time
- Increased quarterly dividend 13% from \$0.075/sh to \$0.085/sh
- Intend to return \$1.0B in capital to shareholders in FY15 with dividends and share repurchases
- Increased share repurchase authorization to ~\$1.3B through FY16



Key Takeaways

Durable and high-margin growth through vertical market leadership and diversification to drive consistent and regular capital return

Strong balance sheet and significant liquidity

Focus on OPEX: Unified architecture leverages IP investments

Appendix

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES

		Non-GAAP	Stock-based compensation (a)	Net warranty charges (b)	Other (c)	GAAP
FY2010	Gross margin	39.0%	(0.7)	(2.9)	—	35.4%
FY2011	Gross margin	45.1%	(0.2)	(5.1)	—	39.8%
FY2012	Gross margin	51.9%	(0.3)	—	(0.1)	51.5%
FY2013	Gross margin	52.3%	(0.3)	—	—	52.0%
FY2014	Gross margin	55.1%	(0.3)	0.2	(0.1)	54.9%

Footnotes

- (a) In addition to our historical practice of excluding stock-based compensation, during FY10, the Company completed a tender offer to purchase outstanding stock options which resulted in a charge of \$140.2 million. This charge was allocated to cost of goods sold of \$11.4 million which resulted in 0.3% impact to gross margin.
- (b) Consists of charges for the weak die/packaging material set that was used in certain versions of our previous generation chips and the release of the remaining warranty reserve balance as of January 26, 2014.
- (c) Comprised of a legal settlement charge.

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES

	FY2010	FY2011	FY2012	FY2013	FY2014
Graphics Processing Unit (GPU) excluding chipset revenue	\$2,298	\$2,659	\$2,990	\$3,228	\$3,454
Chipset revenue	872	687	197	24	14
GPU revenue	\$3,170	\$3,346	\$3,187	\$3,252	\$3,468

	Non-GAAP	Stock-based compensation	Acquisition-related items (a)	Other (b)	GAAP
FY2014 Operating expense	\$1,610	126	32	4	\$1,772

Footnotes

(a) Consists of amortization of acquisition-related intangible assets, transaction costs, compensation charges and other credits related to the acquisitions.

(b) Comprised of intangible asset write-off, restructuring charge, and legal settlement costs, net of credits.

(in millions)